



August 14, 2013

Item No. 10

AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR 937 W. CULLOM

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners ("Board") approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract ("AHAP") for 937 W. Cullom; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The purpose of this contract is to subsequently enter into a Housing Assistance Payment Contract ("HAP") which will create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for 4 apartments detailed below.

FUNDING: Housing Choice Voucher Program ("HCV")

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
937 W. Cullom	Uptown/ 46 th Ward/ James Cappleman	MADO Healthcare Centers/ MADO Management	Working Families & Supportive Housing for People with Disabilities	4	11

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
937 W. Cullom	HCV Program	30 Years	AHAP/ HAP Contract	\$82,572/year	\$2,477,160 (30 years)	June, 2013

BACKGROUND

Waiting List / Occupancy Process

It is the intent of the owner/manager of this property to lease all of the units to eligible Working Families and to People with Disabilities in need of Supportive Services from CHA's waiting lists. CHA will make referrals from its Public Housing and Project Based Voucher waiting lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA list of applicants will be exhausted prior to utilization of a site based waiting list. Three units

will be set-aside for people on the State's Permanent Supportive Housing waiting list, which are expected to receive rental subsidy from the Department of Human Services.

937 W. Cullom

Proposed Development

- Substantial Rehabilitation of a vacant 12 unit building into 11 units in the Uptown community area consisting of 3 studios, 7 one-bedroom and 1 one-bedroom units. 4 one-bedroom units will be PRA for People with Disabilities in need of supportive services.
- The renovation will include the installation of an exterior ramp and a lift at the front entrance and an exterior lift at the rear entrance at grade to the first floor to accommodate three fully accessible units on the first floor.

Developer Background

- MADO Healthcare Centers & MADO Management were established in 1961 by Mary & Dan O'Brien to provide specialized healthcare and supportive services to persons needing physical and occupational rehabilitation and persons with complex mental illness diagnoses. MADO Healthcare Centers and Management, now lead by Peter O'Brien, own and manage 19 buildings totaling 90 units in Chicago.
- Supportive Services will be provided by Neumann Family Services (NFS) by providing case management, support services, behavioral health assistance, mental therapy sessions and employment services. NFS has been operating for over 50 years and was selected by DCFS to provide services for young adults with Developmental Disabilities and/or serious mental illness diagnoses who are transitioning from state institutions to the community under the Department of Human Services.

Financing

- Illinois Housing Development Authority
Community Development Block Grant Loan: \$2.6 Million
Build Illinois Bond Funds: \$1.3 Million
- Illinois Department of Commerce and Economic Opportunity Grant: \$38,500
- Deferred Developer Fee: \$77,500

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an Agreement to enter into a Housing Assistance Payments contract for 937 W. Cullom.

The CEO/President recommends the approval to execute an Agreement to enter into a Housing Assistance Payments contract for 937 W. Cullom.

RESOLUTION NO. 2013-CHA-68

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 14, 2013 requesting authorization to execute an Agreement to Enter into a Housing Assistance Payments Contract for 937 W. Cullom;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for 937 W. Cullom; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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